

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**KENNETH W. CRUMBLEY, JR., and
SEDONA OIL & GAS CORPORATION**

Defendants

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Civil Action No.: 3:16-CV-0172L

**MOTION TO REOPEN RECEIVERSHIP AND
REAPPOINT RECEIVER FOR A LIMITED PURPOSE**

Plaintiff Securities and Exchange Commission (“Commission” or “SEC”) files this Motion to Reopen the Receivership over Sedona Oil and Gas Corporation and reappoint Becky McGee as Receiver for the limited purpose of executing a resolution of the Commission’s claims against Sedona Oil & Gas Corporation.

**I.
Procedural Background**

The Commission brought this action against Defendant Sedona Oil & Gas Corporation (“Sedona”) and its principal, Kenneth W. Crumbley, Jr., asserting several causes of action based on Sedona’s and Crumbley’s violations of the federal securities laws. (*See* Complaint, Dkt. No. 1). Based upon Sedona’s actions, the Commission sought various forms of relief from the company, including: (1) a permanent injunction against Sedona from further violations of the securities laws; (2) disgorgement plus prejudgment interest thereon; and (3) a civil penalty. *Id.* The Commission has not yet obtained a final judgment as to its claims and requested relief against Sedona.

On January 21, 2016, the Court entered its Order Appointing Receiver (“Receivership Order”) appointing Becky McGee (the “Receiver”) to serve as receiver over Sedona and Crumbley. (Dkt. No. 14). The Receiver then marshalled the assets of Sedona and distributed \$534,705.04 to aggrieved investors. (Dkt. No. 84, ¶ 3). On January 3, 2019, the Court entered an Order Granting Receiver’s Final Report and Accounting; Final Fee Application; and Motion for Discharge (“Receivership Termination Order”). (Dkt. No. 85). In that order, the Court discharged the Receiver and closed the receivership. (*Id.* at ¶ 10).

II. Argument

The Commission requests that the Court briefly reopen the Receivership and reappoint Ms. McGee as the Receiver over Sedona for the limited purpose of negotiating and executing any necessary documents for a settlement of the Commission’s claim against Sedona. As of the date of this filing, the Commission and Ms. McGee have discussed settlement terms that would resolve this case without need for further litigation. However, given Ms. McGee’s discharge as Receiver and the close of the Receivership, she is currently without the authority to execute the documents necessary to accomplish resolution. Reopening the Receivership and reappointing Ms. McGee as Receiver for this limited purpose would remove this impediment and allow the Commission to finally resolve all claims against Sedona.

III. CONCLUSION

Based on the foregoing, the Commission respectfully requests that the Court enter an order providing the relief requested.

November 5, 2021

Respectfully submitted,

s/Matthew Gulde

MATTHEW J. GULDE

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COUNSEL FOR PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION

CERTIFICATE OF CONFERENCE

I conferred with the Receiver and her counsel, who are not opposed to the relief requested in this motion. I also conferred with counsel for defendant Kenneth Crumbley, who was not opposed to the relief requested in this motion. A significant amount of time has passed since conferring with Crumbley's counsel, however, and the undersigned has not been able to determine if this remains Crumbley's position.

s/Matthew J. Gulde

Matthew J. Gulde

CERTIFICATE OF SERVICE

I hereby certify that on November 5, 2021, a copy of foregoing *Motion To Reopen Receivership and Reappoint Receiver for a Limited Purpose* was filed electronically and served by mail on anyone unable to accept electronic filing. Notice of this filing will be sent by e-mail to all parties by operation of the Court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the Court's CM/ECF System.

s/Matthew J. Gulde

Matthew J. Gulde